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FM AMEMBASSY CAIRO

TO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY

RUEHGB/AMEMBASSY BAGHDAD PRIORITY 0248

RUEHC/SECSTATE WASHDC PRIORITY 7886

C O N F I D E N T I A L SECTION 01 OF 02 CAIRO 000052

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E.O. 12958: DECL: 01/10/2018 TAGS: <u>PREL PGOV IS IZ EG</u>

SUBJECT: CODEL PRICE MEETS WITH ABOUL GHEIT

Classified By: Deputy Chief of Mission Stuart Jones Reasons: 1.4 (B) and (D)

- 11. (C) Summary. FM Aboul Gheit told visiting Codel Price January 6 that the GOE recognizes that the Administration is trying to advance the Israeli-Palestinian peace efforts, but warned that continuing Israeli settlement activity would scuttle progress. He urged that USG security measures not deter Egyptians seeking to travel to the U.S., especially students. Aboul Gheit said that the GOE is doing its best to combat smuggling into Gaza, and asked for USG support in advancing cooperation with the Israelis. Aboul Gheit predicted civil war in Iraq unless there is a reform of the political process, and that Iran would continue to maintain a strong influence there. End summary.
- 12. (C) FM Aboul Gheit told Codel Price (full delegation list at para 7) that the Administration's efforts at Annapolis were extremely encouraging, but that subsequent Israeli settlement activity threatened progress. "Just five days after the Annapolis meeting, the Israelis announced they are expanding a settlement in the West Bank. Then a settlement near Jerusalem. If the Israelis settle the West Bank and Jerusalem, what is there left to negotiate?" He reported that at an Arab League meeting he had attended that morning, the mood among the Arab states was increasingly downcast. there is no two state solution, he continued, the alternative will be "one large entity" where the demographics and birth rates will put the Arabs in the majority. Prospects for a two state solution would collapse, and the pretext used by extremists in the region - Israeli occupation - would continue. Aboul Gheit was nevertheless hopeful that the President's visit would help spur momentum, but made clear the GOE view that continuing settlement activity would preclude meaningful progress.
- 13. (C) Aboul Gheit said that the GOE views Hamas as a "Muslim Brotherhood (MB) organization" and, as such, an enemy.
 Aboul Gheit said MB groups such as Hamas believe erroneously that applying 8th century Islamic teachings is the way forward, and tend to be violent. He said that the Muslim Brotherhood and its followers have wreaked havoc on Egypt for decades, assassinating several leaders, including President Anwar Sadat. Accordingly, the GOE was doing its best to isolate Hamas and stop smuggling into Gaza. To enhance Egyptian capabilities, Aboul Gheit said that the GOE would proceed with the purchase of \$23 million in anti-smuggling equipment as recommended by the U.S. Army Corps of Engineers. He said that the GOE's assesses that smuggling is driven largely by Bedouin tribes, but that according to Israeli court records, Israeli soldiers are also involved in illicit arms sales to Palestinians. He reiterated GOE complaints that the Israelis would not allow additional Egyptian border quard forces along the Gaza border, and lamented the Egyptian-Israeli back and forth that had taken place publicly over Egyptian anti-smuggling efforts. He said that Israeli FM Livni was a friend and colleague, and that notwithstanding

the harsh public criticism of Livni and others, he expected the GOI-GOE relationship would recover.

- ¶4. (SBU) Representative Price said he understands that the smuggling issue has existed for a considerable amount of time, and that in his opinion there are positive, and negative, ways to encourage enhanced cooperation. He told Aboul Gheit that not all Congressional members agree on the conditionality of USG assistance.
- 15. (SBU) Aboul Gheit said he understands the USG needs to take security measures with respect to visitors, but asked rules and laws be crafted and implemented in a way so as not to deter Egyptian tourists and students. Representative Holmes-Norton asked if there had been a dropoff in Egyptian students to the U.S., and Aboul Gheit said no, but claimed that more Egyptians are considering institutions in Canada, Australia and Europe.
- 16. (C) Representative Moran asked Aboul Gheit how he thought the region would look in five years. Aboul Gheit reiterated his concerns about the Israeli-Palestinian conflict, and said that Iraq will likely have a civil war unless Iraqi participation in government was framed along secular, rather than sectarian, lines. The Sunni militias are not firing on U.S. troops today, he said, but once the Sunnis realize that the participatory scheme is "unjust," they will revolt and touch off a civil war. The aftermath, according to Aboul Gheit, will be an Iraq that is ruled by "men with turbans" who are strongly influenced by Iran. The way out is for the Iraqi government to disarm the militias are ensure fair participation for all Iraqis. He commented that, in his view, Iraq is a "violent society" that needs strong leadership. In his opinion democracy will take 20-30 years

CAIRO 00000052 002 OF 002

to flourish.

- 17. (U) Codel delegation attendance:
 Representative David Price North Carolina
 Representative Harold Rogers Kentucky
 Representative Dennis Rehberg Montana
 Representative James Moran Virginia
 Representative Elenor Holmes Norton District of Columbia
 Representative Michael Simpson Idaho
- $\P 8.$ (U) Codel Price did not have the opportunity to clear this cable. Ricciardone